



Royalty Management Program

Reengineering Transition Strategy

August 1999



U.S. Department of the Interior
Minerals Management Service
Royalty Management Program



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**Gene Rouleau & Associates, Inc.
Russ Linden, Joy Kimmel, Martha Marshall
326 Kiowa Drive East
Lake Kiowa, Texas 76240
(904) 668-2506**

**Transition Planning Team (Appendix F)
Royalty Management Program
P.O. box 25165, MS 3010
Lakewood, Colorado 80225
(303) 231-3410**

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A Note from the Associate Director –

All aspects of RMP's reengineering initiative are now well under way. At Quality Steering Committee meetings, we've held numerous discussions on the many activities involved in the reengineering effort. We all agree: *The human side of the reengineering is the most challenging.*

The *Reengineering Transition Strategy* contains strategies and implementation steps to help successfully manage our transition from today's organization and processes to those of tomorrow. I believe it answers some of the many questions we all have. Time lines shown in the document are based on our current best estimates. We will continue to refine the implementation steps as we learn more information. If the time lines cannot be met, you will be notified and given an update on the status of the activity as well as the new time line.

We've come a long way, but there's still a long way to go. You are our greatest asset. With your commitment, professionalism and can-do spirit, I know we will successfully meet the challenge!


Associate Director for Loyalty Management

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I. Introduction

The Royalty Management Program (RMP) document, *Roadmap to the 21st Century*, calls for an assessment of the RMP workforce's readiness for change as well as a transition strategy both to move the workforce into the "new future" and to help them accept and adapt to the coming changes and thrive in the resulting environment. This transition strategy, which is a collaborative effort between the Reengineering Transition Planning Team (TPT) and Gene Rouleau and Associates, Inc. (GRA), identifies strategies for successfully managing the transition from the "as is" state of the workforce and business processes to the "to be" state spelled out in the Roadmap. This report is based on:

- the March 1999 report, *Change Readiness Assessment of the Workforce*
- input from reengineering outreach sessions
- input from management meetings.

This report contains the strategies and action elements that have been developed as of August 1999. We believe that the strategies will likely remain constant as the RMP moves through transition and implementation; however, the action elements will likely change as the RMP experiences new events and as more information is learned from the compliance operational models and the financial information technology vendor. Therefore, the TPT will likely revise the action elements.

II. Readiness Summary of RMP

During major changes people have many concerns, and most organizations going through a significant change will have employees who have difficulty with the proposed changes; it takes time and specific processes to move them through the transition. For a more detailed discussion of the organization's readiness for change, refer to the March 1999 report, *Change Readiness Assessment of the Workforce*.

III. RMP's Major Transition Issues

In *Change Readiness Assessment of the Workforce*, RMP's readiness for change was summarized in terms of William Bridges' three phases of change: Endings, Neutral Zone, and Beginnings (see Appendix B for additional information).

RMP is still in the early stage of the transition process. Many employees on the compliance side seem to be in the Endings phase—they know they will be letting go of many things they do now, but they are uncertain about the future. That makes it difficult for them to move into the Neutral Zone.

Most employees on the financial process side seem to be in a pre-Endings phase, meaning that they are not sure what they will be losing, much less what they will be gaining and moving toward. Thus, the majority on the financial process side are not focused on the change yet; it is not real to them, nor will it be until they have some idea of the new software, how it will work, and what process changes are involved.

Managers at grades 14 and 15 appear to be in varied phases of change as well. Many visible managers are clearly leaders and strong supporters of the “to be” model and could be categorized as moving into the Beginnings phase. Several managers support the “to be” model but are focusing their energies as caretakers of their current mission. Other managers are perceived to be on the fence about, or even opposed to, the transition—signs of the early stage of the Endings phase.

Change Readiness Assessment of the Workforce pointed out a number of strengths, positive attitudes toward the change, and enabling forces that will help RMP move through the reengineering phases:

- Many senior leaders are clearly dedicated to the change, considerable funds have been dedicated to this effort, and political and business climates exist to make change necessary. A reasonable plan exists for implementing the reengineering (the Roadmap), and most employees now see the change as inevitable. While change management responsibilities have been concentrated in the hands of a few leaders and managers, more informal organizational leaders are participating in the activities of various change teams.
- Strong technical skills, information, and experience exist in the RMP workforce. Many employees are skilled not only at using technology but also at adapting to new technology when necessary.
- Both managers and employees have a strong commitment to seeing that RMP and the services it provides survive.

Change Readiness Assessment of the Workforce also identified important transition issues, summarized below, that need to be addressed:

- RMP's culture can be characterized as risk and change averse; some of this stems from trust issues remaining after the 1992 reorganization. Generally, employees want to carefully manage risk, develop contingency plans, and take precautions to avoid problems. Reactions to the particular changes planned by RMP are varied. Some employees have specific concerns regarding the potential changes to their job status, pay grades, professional identity, etc. Although many employees do not feel a part of the change process, they indicate a strong desire to become part of it and want to understand how they can become involved. Other employees avoid the change and neither attend meetings nor read the change-related documents provided. RMP must develop more effective ways to communicate information about the change and its status, implications, and benefits.
- Managers do not yet present a clear and consistent message about the reasons for the large-scale changes. Information is not being communicated in a way that allows everyone to understand the benefits to be derived from the reengineering, how the implementation is being managed (including project management), how decisions are being made, and how significant project issues are being resolved. Employees expressed the need for more clarification on the risk management and contingency planning associated with the major software implementation. They have concerns about what the proposed financial management software will do and whether a backup plan exists for the software; they also believe that there is no ability to run a parallel computer system when this software is first brought online. More two-way communication is needed to address these information needs.
- Some of the workforce are openly seeking to better understand the business needs and challenges that are driving the reengineering change. More clear and concise information is needed on these issues.
- While many "informal leaders" are participating in the reengineering, more evidence of their enthusiasm for the change is needed. Employees would also like more visibility of senior leaders and more information about their involvement in the changes.
- By providing more visibility and communication regarding the effectiveness of the change process, external stakeholders could help field-level RMP employees to have an easier time implementing the changes.
- There is skepticism about the proposed empowerment of teams in the reengineered RMP because of the management styles that employees perceive exist today. Many of the strategies being considered for the reengineered organization (such as virtual teams and dynamic data verification) will require rapid development of new knowledge, skills, and capabilities, and there is some concern that some managers' styles may not support this.
- There is a need for more recognition for past accomplishments of RMP employees, as a way of honoring the past and moving beyond it.

IV. Specific Strategies for RMP's Human Resources Transition

Change Readiness Assessment of the Workforce identified various strengths and limitations of RMP that should be addressed during the transition process (see Section III). The following strategies and actions were developed to address these issues.

The strategies and action elements in this document are organized around the human aspects of change identified in *Roadmap to the 21st Century*:

- Transition management/organizational culture
- Organizational structure/design
- Staffing and succession planning
- Performance and rewards
- Training, development, and organizational learning (knowledge management)
- Facilities and equipment
- Outreach and communications.

Specific strategies and proposed action elements for each of these areas have been identified. The Associate Director (AD) and the Program Reengineering Office (PRO) have charged TPT with facilitating the accomplishment of the proposed actions. TPT will involve other employees to gather data and to perform specific action elements listed throughout the following sections. TPT will also facilitate ongoing and open communication about decisions made and opportunities for involvement.

Throughout the transition period, TPT will also work closely with the reengineering Financial Information Technology vendor and the RMP Information Technology Program Manager regarding transition activities.

The following section delineates the specific human resource transition strategies needing implementation in RMP. Many are prefaced with information to explain the need for the strategy and how it will mitigate or prevent transition problems. Appendix A lists all the acronyms used throughout this document.

1. Transition Management/Organizational Culture

Organizational culture is difficult to measure in concrete terms, but it is very real in its effect on employees. Sometimes called “the way we do things around here,” culture includes the attitudes, values, norms, behaviors, and deeply held assumptions about work, customers, the environment, and other key organizational issues.

Organizational culture affects change in clear and important ways. If the culture is one of “don’t make waves” or “never question authority” or “wait ‘em out, this too shall pass,” etc., then change is difficult. If the culture is, on the other hand, “never kill a new idea,” “think out of the box,” or “the only constant around here is change,” then change comes more naturally. And if the culture is “show me” or “just the facts, please,” then it is a culture that probably will change only when clear and compelling evidence is presented that documents the business need for change and the likelihood that the proposed change will work there.

Organizational cultures usually change slowly. RMP’s culture will have to evolve from accumulated changes in its attitudes, behaviors, values, and assumptions. Presenting opportunities for employees and supervisors to get involved with the changes and see the positive benefits will help shift behaviors (and then attitudes). To facilitate this, employees must be given time to interact directly with peers who are behaving differently.

Attitudes at RMP are mixed concerning reengineering and the extent of the related changes. Employees and managers directly involved in the change express excitement, enthusiasm, and eagerness to move ahead. However, most of RMP’s employees are not directly involved (about 500 of 600 employees were not involved in February 1999, and about 450 are not currently involved); they look at the imminent changes with uncertainty, fear, and concern.

As noted in *Change Readiness Assessment of the Workforce*, RMP’s organizational culture is risk averse—it values analysis and prefers careful management of risk. For this reason, it is natural to expect that RMP’s reengineering plans would be met with skepticism and apprehension. Employees will be in a better position to support the change when they have more specific information that will allow them to understand the implications of the proposals for RMP’s business processes and for themselves. Seeing other employees and leaders supporting the change will also help.

1.1 Invite Volunteers

Invite RMP employees (includes supervisors and managers) to take on specific roles in RMP's change process.

1.1 Invite Volunteers – Action Elements	Accountable	Time Line	Status
1.1.1 Solicit interest from within RMP to work on ad hoc groups identified elsewhere in these strategies and actions.	TPT; PRO	8/99	Complete
1.1.2 Create ad hoc groups to perform data gathering tasks such as benchmarking activities (see specific action elements throughout this document).	TPT	9/99-9/01	

1.2 Honor the Past

Honor past work accomplishments; highlight and document RMP's accomplishments and performance at individual and small workgroup levels; include positive quotes from customers and other stakeholders.

1.2 Honor the Past – Action Elements	Accountable	Time Line	Status
1.2.1 Identify past performance accomplishments and highlights of individual and small groups (include State and Tribal participation). Publicize and give appropriate recognition.	TPT; Ad Hoc Group	3/00-5/00	
1.2.2 Create opportunities to visibly recognize and appreciate the strengths, behaviors, and people that have contributed to RMP's success in the past; emphasize linkages to RMP's continuing success (both day-to-day operations and reengineered operations).	TPT; PRO; QSC; AD	9/99–9/01	

1.3 Employee Survey

Conduct an employee survey on a variety of issues that include (but are not limited to) the reengineering process. Use the data as a baseline, and repeat as determined.

1.3 Employee Survey – Action Elements	Accountable	Time Line	Status
1.3.1 Develop a brief list of key issues to be surveyed (e.g. CAMP, proposed form changes, collaborative software, teams, family friendly issues, etc.) or obtain a commercially available survey on organizational culture, and draw key questions from it.	TPT; Ad Hoc Group; QSC; AD	1/00-4/00	
1.3.2 Implement and survey. Analyze and publicize the results.	TPT; QSC; Ad Hoc Group; AD	5/00-7/00	
1.3.3 Make changes based on results.	TPT; QSC; AD; PRO	7/00-4/01	

1.4 Transition Management Benchmarking

Learn how similar organizations have approached and experienced changes in their organizational culture, behaviors, attitudes, assumptions, and values. Find best practices and pitfalls.

1.4 Transition Management Benchmarking – Action Elements	Accountable	Time Line	Status
1.4.1 Identify organizations that are undergoing similar changes to those at RMP, and benchmark cultural issues with them.	PRO; TPT; Ad Hoc Group	10/99-3/00	
1.4.2 Analyze findings and brief the QSC and the rest of the RMP workforce.	Ad Hoc Group; TPT	10/99-3/00	

1.5 Organizational Behaviors

Determine and communicate RMP organizational behaviors (reflective of organizational values) that will support the new RMP. Senior leadership should model these behaviors and should regularly talk to employee groups about corporate vision, values, and behaviors as well as about the business reasons for the change. It is important to communicate the values and associated organizational behaviors that hold constant despite business process changes. It is also important to communicate areas where corporate culture must change, such as managing risks versus avoiding risks and emphasizing solution-oriented problem solving over simple problem identification. Employees look to senior leaders to clarify direction and values and to offer assurance about what is changing and what is not. Therefore all of RMP's supervisors, managers, and leaders must be visible and must support the change process.

1.5 Organizational Behaviors – Action Elements	Accountable	Time Line	Status
1.5.1 Add to performance plans of all managers and supervisors the critical result of keeping employees knowledgeable and clear on change (e.g., hold regularly scheduled staff meetings).	QSC	10/99	
1.5.2 Address cultural issues: (a) Identify written and unwritten rules that describe RMP's current culture and that are or could be barriers to change (b) Identify the organizational behaviors that have helped RMP achieve its successes (c) Determine organizational behaviors needed in the future RMP; brief the QSC on needed education in such things as creative problem solving, coaching, risk management, delegation, collaboration, etc.	TPT; Ad Hoc Group; PRO; OM's; FRST	10/99-3/00	
1.5.3 Decide behaviors and actions that support RMP's future organizational model and that will be rewarded.	QSC	3/00-5/00	

1.6 Mitigate Transition Workload Impacts

Mitigate impacts to ongoing functions and to employees involved in reengineering and traditional work. Determine if some employees are feeling burned out, are in need of a break, or are overextended. During organizational change, employees often try to accomplish more than is reasonable, and they are sometimes given too much to do because they are hard workers. The change leaders and supervisors must guard against these possibilities and take action as needed.

A major redesign of work processes places great demands on the workforce. Employees and managers must maintain the day-to-day operations, and in addition, design, develop, or fine tune new processes and deal with significant uncertainties about the future. Communication needs are heightened because of questions, concerns, and issues that arise during times of transition.

While the burden on all employees increases, it is greatest for those formal and informal leaders who have assumed the responsibility for making the change happen. Employees often try to accomplish more than is reasonable, and there is a danger of placing too much work on the employees who work the hardest. For this reason, it is important for the organization to take conscious steps to mitigate the impact on employees and identify work that can be eliminated, reduced, or performed to a lower but acceptable quality.

1.6 Mitigate Transition Workload Impacts – Action Elements	Accountable	Time Line	Status
1.6.1 Keep aware of burnout signals and implement appropriate strategies to address the underlying issues. Also understand and consider the Endings/Neutral Zone/ Beginnings model (see Appendix B).	QSC; Managers; Supervisors	9/99-9/01	
1.6.2 Meet with employees and discuss realistic workloads for the present and future methods during the transition. Institute a “Work-Out” program (see General Electric Model in Appendix C) that offers a structured way for employees and managers to identify work that should be done less often, less thoroughly, or not at all, to keep the workload reasonable.	QSC; Managers; Supervisors	9/99-9/01	

2. Organizational Structure/Design

The question of organizational structure/design and reporting relationships is important to many employees. Employees tend to pay great attention to these issues, sometimes distracting them from the processes that are being changed.

Unfortunately, it is difficult, if not impossible, for an organization to know exactly what its future structure and design should be while it is in the middle of reengineering its business processes. The appropriate structure and design will start to become apparent to leaders and employees as they get more experience working with the new processes.

The conceptual RMP organizational framework developed by the QSC and distributed by the AD in March 1999 is a good and appropriate start at defining the future organization at a high level. It offers a general direction to begin the process of determining substructures.

An issue of major importance for RMP's future is developing and communicating a model for governance and decision making. Individuals actively engaged in reengineering implementation noted their desire for clarity about how major project management and direction-setting decisions will be made. RMP is at a stage where its decision-making processes are changing to ensure the organization's continued survival. Specifically, top RMP managers believe that a highly centralized decision-making process has been necessary to make important decisions about RMP's reengineering in a timely way.

RMP needs to address top and mid-manager decision making. Some within RMP believe that to continue making policy decisions under the former large QSC model (18 managers) in the future would likely interfere with achieving the 3-year compliance stretch goal and would throw the financial reengineering effort off schedule. Thus RMP top management is faced with its own transition in the next two to three years. They must develop a process to use when speedy and effective decision making is critical to the reengineering success.

While a centralized decision-making strategy has worked so far, RMP's leadership acknowledges this strategy is not the best one for the future. The reengineered RMP will rely on informed, empowered teams and work units to make decisions at the lowest appropriate levels so they can deliver fast, responsive service. RMP must identify the nature and type of decisions for each level and identify the most appropriate mechanisms to allow ample flexibility, yet ensure adequate consistency. To move from the current state to the desired state, RMP will have to increase its awareness, understanding, and skills at delegated decision making.

One of the concepts of the future RMP entails using high performance teams. Other parts of RMP's business processes and support staff work might continue to be done by traditional workgroups. RMP leaders must recognize the importance of both organizational structures, rather than just emphasizing teams. Acknowledging this to the workforce will be helpful, and when done well, can honor the past by recognizing the continuing contributions of traditional work units. RMP must review the lessons it is learning from operational model teams, through benchmarking, and from the recommendations from the Financial IT Vendor.

2.1 Organizational Structure

Design an RMP organizational structure that best supports both business processes, Compliance and Asset Management and Financial (and related stretch goals).

2.1 Organizational Structure – Action Elements		Accountable	Time Line	Status
2.1.1	Continue the use of compliance operational models to learn more about the proper supporting organizational structure.	OM Leaders	10/98-5/00	Ongoing
2.1.2	Expand oil and gas models to involve more RMP workforce including program analyst, technical, and administrative positions. Identify the skills mix, roles, etc., of multi-disciplinary team members working together in the end-to-end process and having broader jobs.	OM Leaders; QSC; AD	9/99–5/00	
2.1.3	Learn what the financial IT vendor proposes as the substructure to support the business processes for in-value, in-kind, and franchising workloads.	PRO; TPT; IT Project Manager; FRST; IT Vendor	9/99-10/99	
2.1.4	Obtain mid-managers' input into future structure (layers, decisions, virtual teams, telecommuting, etc.).	QSC	9/99	
2.1.5	Evaluate team/unit structure and decision-making authority. Determine roles and responsibilities for both staff and manager levels. Evaluate and redesign RMP's decision-making processes to allow ample flexibility at the team and unit level yet ensure consistency at the policy level.	QSC; AD	6/99-6/00	Ongoing
2.1.6	Using data from 2.1.4 through 2.1.5, draft organizational design including substructure.	TPT; QSC	10/99-11/99	
2.1.7	Finalize the preliminary organizational design with required substructure detail. Obtain employee comments.	QSC	11/99	
2.1.8	Reevaluate preliminary organization with new data and information.	QSC	11/99-12/99	
2.1.9	Create final organizational structure and communicate to workforce.	QSC; AD	1/00	
2.1.10	Get DOI and congressional approval.	A & B	1/00–6/00	

2.2 Implement Organizational Structure

Finalize RMP substructure (below Division level) details. Formulate a plan to transition the workforce into the new RMP organizational structure. Implement the new structure at the optimum time to gain desired advantages and to move to a teamwork and business process environment. Consider how in-value and in-kind payments will be supported in the compliance and financial business processes.

2.2 Implement Organizational Structure – Action Elements		Accountable	Time Line	Status
2.2.1	Firm up initial substructure details. Complete proposed organizational implementation plan and schedule for full cut-over to new organizational structure.	QSC; TPT; AD	2/00	
2.2.2	Get input from employee groups on implementation plan and schedule; provide results to the QSC.	TPT	3/00	
2.2.3	Develop crosswalk of all existing and new (RIK) functions to new structure.	TPT; FRST; OM's; PRO	4/00	

3. Staffing and Succession Planning

RMP employees have a number of questions and concerns regarding staffing issues, which represents both a problem and an opportunity. It will be a problem when it lessens employee commitment to and interest in the change effort. It can be an opportunity when employees are given structured roles for involvement in determining some of the answers to their legitimate questions. As soon as RMP's leaders are ready to make staffing decisions, they should involve employees as much as feasible. When the leaders do not involve employees, the leaders must increase communication and provide information clearly and consistently.

3.1 Individuals' Job Concerns

Identify and address the concerns of the various employees in professional, technical, and administrative job series about their future work, including job classification. GRA heard many concerns, especially from auditors about their jobs, during the outreach meetings held in February 1999.

3.1 Individuals' Job Concerns – Action Elements		Accountable	Time Line	Status
3.1.1	Identify and address staffing issues to support the financial business process (data management and program analysts, systems analysts, accountants, technicians, administrative, secretarial, etc.) for in-value and in-kind workloads.	FRST; TPT; QSC	9/99–3/00	
3.1.2	Identify and address staffing issues to support the compliance and asset management business process (i.e., auditors, engineers, geologists, economists, administrative, computer specialists, etc.) for in-value and in-kind workloads	OM's; TPT; QSC	9/99-3/00	
3.1.3	Identify and address staffing issues related to support functions. (i.e., budget and computer specialists, program analysts, etc.).	QSC; TPT; IT Manager; AD	9/99–3/00	
3.1.4	Compile concerns and issues and brief the QSC and the workforce on these issues	TPT; QSC	3/00-4/00	

3.2 Staffing Plan

Develop an initial staffing plan to transition the full RMP workforce from the existing organizational structure to the new organizational structure.

3.2 Staffing Plan – Action Elements		Accountable	Time Line	Status
3.2.1	Develop a plan on how to involve employees in staffing planning and proposed changes.	TPT; QSC	9/99-3/00	
3.2.2	Benchmark with other organizations to identify effective staffing/transition plans.	Ad Hoc Group; TPT	9/99-3/00	
3.2.3	Decide on job series and classifications for initial transition of full workforce to reengineered processes.	QSC/Model Leaders; PRO; WASC	6/99-3/00	Ongoing
3.2.4	Decide staffing and implementation plans.	Supervisors & Managers; AD; QSC	4/00	
3.2.5	Expand the staffing plan with individual employee names; prepare associated personnel actions, annual performance plans, etc.	Supervisors & Managers; AD; QSC	6/00	
3.2.6	Begin permanent reassignments of RMP personnel to the new organizational structure. (Permit a phased-in approach.)	WASC; QSC; AD	6/00–9/01 as needed	
3.2.7	Determine selection process and fill positions in new organization.	AD; QSC	4/00-9/01	

3.3 Ad Hoc Groups

Form ad hoc groups of RMP employees and representatives from human resources to research and develop answers to employees' human resource management questions.

3.3 Ad Hoc Groups – Action Elements		Accountable	Time Line	Status
3.3.1	Maintain a topics inventory (including pay banding, gain-sharing, family friendly initiatives such as telecommuting, flexiplace, and maxitime); decide on and research priority topics.	TPT; Managers	10/98-9/01	Ongoing
3.3.2	Gather data, write papers, and benchmark with other organizations involved in the human resources topic RMP employees raise. Brief QSC.	TPT; Ad Hoc Group(s)	1/00-9/01	
3.3.3	Decide which ideas will work in RMP and assign an implementation group.	QSC	3/00-9/01	

3.4 Succession Planning Strategy

Develop a mid- to long-term succession planning strategy to guide future RMP hiring and advancement decisions and to provide the necessary experience and needed skills sets for the next decade.

3.4 Succession Planning Strategy - Action Elements		Accountable	Time Line	Status
3.4.1	Identify the needed professional, technical, and administrative skill sets and core competencies needed to support the new RMP processes. Consider benchmarking with other organizations and obtain OPM documents and studies on succession planning.	OM's, FRST; QSC; IT Project Manager; Ad Hoc Group	6/99-6/00	Ongoing
3.4.2	Identify working assumptions and project where RMP might lose experienced people with the identified knowledge and skills from 3.4.1.	TPT; AD; QSC; WASC	1/00-6/00	
3.4.3	Determine which losses will leave RMP at considerable risk (e.g., because there are no backup people to fill the gap).	AD; QSC; WASC	1/00-6/00	
3.4.4	Using data from 3.4.1 through 3.4.3, decide on a mid- and long-term succession plan including recruiting sources and numbers, training and professional development, and promoting to fill vacancies. Consider having departing employees overlap with and train incoming employees.	QSC/Model Leaders; WASC; AD	1/00-6/00 (midterm plan); 1/01-6/01 (long term plan)	

3.5 Diversity Strategic Plan

Integrate organizational implementation with the DOI/MMS Diversity Strategic Plan.

3.5 Diversity Strategic Plan - Action Elements		Accountable	Time Line	Status
3.5.1	Coordinate with MMS/RMP Diversity Committee through the RMP representatives.	QSC	1/00-9/00	

4. Performance and Rewards

Organizational performance is highly dependent upon the collective performance of all of its individuals and work groups. The Government Performance and Results Act (GPRA) requires federal agencies to set goals, measure performance, and report on accomplishments in order to become a performance-based organization.

To fully implement the GPRA, RMP must effectively align its employees' performance with RMP mission and goals and communicate with employees so they have a clear understanding of how their jobs link with RMP's goals. "What we measure is what people will do" — our staff will naturally give priority to the areas that RMP's leaders choose to measure and to report on prominently.

Further, RMP needs to ensure that positive performance is recognized and rewarded among those leading change as well as those maintaining ongoing organizational operations. Developing useful measures will require dialogue with employees, supervisors, and managers to obtain clarity about what constitutes success — what results or outcomes are desired.

4.1 Finalize GPRA Plan

Finalize the GPRA Plan to the Department, OMB, and Congress by September 1999. Ensure that employees have the opportunity to comment before finalization of the plan. In March 1999, the QSC drafted RMP's 2001–2005 GPRA Strategic Plan framework, including mission, vision, mission goals, and long-term goals (measures).

4.1 Finalize GPRA Plan – Action Elements		Accountable	Time Line	Status
4.1.1	Provide employees with Strategic Plan draft and solicit comments.	AD; PMT	5/99	Complete
4.1.2	Gather baseline information for each measure and determine methodology and timing for gathering the measure over time (trend information).	PMT; RMP Divisions	9/99	
4.1.3	Solicit comments from RMP employees, States, Indians, industry, and other government agencies.	MMS GPRA Team	6/99	Complete
4.1.4	Compile comments and determine areas requiring further QSC discussion.	PMT/MMS GPRA Team	7/99	Complete
4.1.5	Decide final Strategic Plan framework based on input from PMT, employees, and constituents.	QSC	7/99	Complete
4.1.6	Finalize plan. Share the final plan with all employees so they can see how their input was used.	QSC	9/99	

4.2 Management Action Plans

Develop management action plans, subordinate measures, and resource requirements for each 2001–2005 long-term goal in accordance with GPRA. These measures should serve the purpose of measuring RMP's organizational performance before reengineering and after reengineering. They will also help employees to more easily see where their work links to the overall RMP mission and goals.

4.2 Management Action Plans – Action Elements		Accountable	Time Line	Status
4.2.1	Determine annual resource requirements (human, capital, information, etc.) for each long-term goal.	PMT	10/99	
4.2.2	Revisit annual targets. Decide whether it is necessary to adjust targets.	QSC	8/99	Complete
4.2.3	Create annual Management Action Plans for each long-term goal. Determine operational steps that must be taken to accomplish each long-term goal. Note assumptions inherent in these plans (e.g., rule is published).	PMT/QSC	10/99	
4.2.4	Develop subordinate measures for each long-term goal, drawing on OM and finance measures, and current Performance Matrix.	QSC	10/99	

4.3 RMP Performance Matrix

Incorporate new measures into the RMP Performance Matrix; RMP will regularly monitor its progress.

4.3 RMP Performance Matrix – Action Elements		Accountable	Time Line	Status
4.3.1	Develop performance matrix for GPRA external measures, GPRA quarterly reporting measures, and internal management measures.	PMT; QSC	10/99	
4.3.2	Determine which data elements and measurement calculations are needed in new reengineered systems.	PMT; OM's; FRST	9/99	
4.3.3	Gather baseline and trend data monthly. Report data monthly to QSC for discussion and monitoring of RMP performance.	PMT; QSC	10/00–9/01	
4.3.4	Report data on GPRA measures quarterly to the Department and annually to the Department, OMB, and Congress, as required by GPRA.	PMT; QSC	1/00	
4.3.5	Practice “Open Book Management”—communicating to employees RMP's performance results, the budget process, operating statistics, etc.—in effect, giving them access to RMP's books on a regular basis so that everyone can see where things stand and can help improve performance.	PMT; QSC	5/00	

4.4 Individual Performance and Rewards

Use personal, visible and straightforward recognition and reward methods. Ensure that RMP employees are recognized for positive collaborative performance regardless of what work they are assigned. Praise more frequently, using the many choices available. Implement performance plans and reward systems that focus on current and future behaviors/work that support reengineering and RMP's 2001–2005 mission and goals.

4.4 Individual Performance and Rewards – Action Elements		Accountable	Time Line	Status
4.4.1	Evaluate current DOI award policy and condense to simple instructions and criteria to ease award processing.	TPT; WASC	1/00-9/00	
4.4.2	Implement performance plans for each employee showing specific linkage to one or more of RMP's mission or long-term goals.	QSC; AD; Managers	10/98-10/01	Ongoing
4.4.3	Benchmark and research innovative ways to recognize and reward employees visibly for their contributions toward the mission. Brief QSC.	Ad Hoc Group; TPT	1/01–4/01	
4.4.4	Decide which new awards methods are appropriate for RMP and implement.	QSC; AD; Managers	5/01-9/03	

4.5 Work Team Performance and Rewards

Research and implement work team performance and recognition practices as they fit with RMP's organizational implementation plan.

4.5 Work Team Performance and Rewards – Action Elements		Accountable	Time Line	Status
4.5.1	Benchmark best practices in other organizations.	TPT; Ad Hoc Group	1/01–4/01	
4.5.2	Analyze findings and make recommendations for RMP implementation.	Ad Hoc Group; TPT	1/01–4/01	
4.5.3	Decide which practices to implement in RMP, based on how work teams are implemented, linking performance with RMP strategic mission and goals.	QSC; AD	5/01-9/03	

5. Training, Development, and Organizational Learning (Knowledge Management)

At the individual level, there are at least four ways in which training, development, and learning will play a key role in the reengineering and in any other planned changes:

- Assist employees who are working with new tools in a redesigned process and who must develop new skills and approaches; provide just-in-time technical training as often as possible.
- Assist employees who may not be affected directly by major changes, yet who may have concerns emanating from the change. Training can be used to help employees manage change and deal with its implications better.
- Develop employee skills to match the needed knowledge and skills for the future RMP.
- Share knowledge and expertise freely in RMP's new culture. An organization skilled in learning is able to manage knowledge. RMP must determine what knowledge is crucial for its future, be aware of the knowledge and skills it already possesses, and be adept at acquiring the knowledge it lacks. RMP can increase its ability to succeed by developing individual and organizational proficiency in benchmarking and knowledge management (KM).

As part of its statement of work, the Financial Information Technology vendor will also identify, develop, and deliver training on the new systems. All reengineering groups will have to work closely with this vendor on training needs and implementation.

5.1 RMP Training

Determine what training needs exist in the short-, mid-, and long-term to create and maintain a highly skilled workforce. Provide training that will encompass the reengineered compliance and asset management process (including taking royalties-in-kind), the reengineered financial management process, and supporting central staff and administrative functions. Address training at all RMP workforce levels and State and Tribal partners.

5.1 RMP Training – Action Elements		Accountable	Time Line	Status
5.1.1	Identify knowledge, skills, and core competencies needed in the new RMP processes. Integrate appropriate training into the following action elements. Track all training.	OM's; FRST; IT Vendor; TAC; TPT; PRO	10/99- 10/00	
5.1.2	Develop and deliver compliance and asset management process training. Learn from the OMs what training was or would be beneficial and what the best timing for that training is. Continue maintaining the OM training catalogue and inventory.	TPT; PRO; TAC; OM's	10/99- 9/01	
5.1.3	Develop and deliver, with input from the Financial Reengineering Systems Team, financial management process training.	IT Vendor; PRO; FRST; TAC; TPT	1/00-9/01	
5.1.4	Develop and deliver centralized staff support training needed to work successfully in the reengineered process interfaces.	TPT; OM's; TAC; FRST; IT Vendor; PRO	8/98-9/01	Ongoing
5.1.5	Coordinate training/workshops for all employees and managers dealing with the human side of change. Identify those who have demonstrated collaboration, creative problem solving, risk management, and coaching skills in the past. Have them contribute to training sessions on these subjects.	TPT; TAC; PRO	10/99- 3/00	
5.1.6	Develop and deliver performance measurement training.	PMT; PRO; TPT; TAC	7/00-9/01	
5.1.7	Develop and deliver general training packages for new and entry level employees on the new RMP organization and processes.	TPT; TAC; PRO; TPT	11/00- 9/03	Ongoing
5.1.8	Develop and deliver "common" workforce training packages—technical and administrative (e.g., how to have effective staff meetings, oil and gas industry, the life of a lease, fluid/solid mineral business practices, Indian trust responsibility, etc.)—to support RMP's changing culture to be knowledge workers.	TAC; PRO; TPT	11/98- 9/03	Ongoing
5.1.9	Develop and deliver software/hardware training.	IT Vendor; SMD; TPT; PRO; TAC	7/99-9/03	Ongoing

5.2 Training Infrastructure

In concert with *Roadmap to the 21st Century* and the Associate Director's March 23, 1999, memorandum describing "The Future RMP," provide a training infrastructure essential to:

- Maintain and enhance the human and intellectual capital of RMP
- Sustain the work teams and end-to-end business processes envisioned for the new RMP
- Create an environment that fosters ongoing learning.

This infrastructure will afford a dynamic context for leveraging and enhancing skills critical to RMP's success.

5.2 Training Infrastructure – Action Elements		Accountable	Time Line	Status
5.2.1	Annually determine and request budgets for consultants to give human and relationship training and for professional journals and mission related periodicals for a current learning library.	AD; TPT; KM; TAC; PRO	8/98-9/03	Ongoing
5.2.2	Develop an interim solution to have training resources sufficient to ensure that sufficient training and facilitation needs are met during the reengineering transition periods.	PRO; TPT and TAC Sponsor; SMD Chief	1/00	
5.2.3	Develop a strategy, and related timetable, for staffing and transitioning to a new "Center of Excellence" (AD memo of March 23, 1999).	TPT; AD; PRO; TAC	1/00-6/00	
5.2.4	Develop "Occupational Training Plans" documenting the skills and training required for RMP's common positions and for professional continuing professional education in the future RMP.	TAC; TPT; PRO	1/00-9/03	
5.2.5	Identify and utilize computer based training.	SMD; IT Vendor; TPT; PRO; TAC	1/99-9/03	Ongoing

5.3 Training the Trainers

Use a "train-the-trainer" approach where new and more internal subject matter experts need to be developed. Provide employees with structured opportunities for involvement; train a core of employees to lead. Use the model of training curricula already developed by RMP's Training Advisory Committee (TAC).

5.3 Training the Trainers – Action Elements		Accountable	Time Line	Status
5.3.1	Solicit a cadre of potential internal trainers who are interested in developing and giving training, especially in RMP's new business processes and in-kind method. Provide them with appropriate instructor training.	TPT; TAC; PRO	9/99–9/01	
5.3.2	Develop a list of internal and external training requirements suitable for the train-the-trainer approach.	TPT; TAC	9/99-9/01	
5.3.3	Use the train-the-trainer cadre, and their students, to provide identified training needs in all RMP locations.	TPT; TAC	9/99-9/01	

5.4 Knowledge Management

Develop a knowledge management (KM) strategy to hedge against the loss of RMP's intellectual capital. KM, which is an important future capability for RMP, includes the process of maximizing the use of the knowledge that exists in the current workforce (the information and experiences each employee has) as well as determining knowledge deficits. Knowledge will be lost when long-time employees leave RMP; RMP needs to develop ways to plan the transfer of this capital more broadly throughout the organization. Transferring this knowledge from long-time employees to the newer employees also serves the purpose of honoring the past.

There is considerable work to be done both in understanding the field of KM and in defining RMP's needs. Some basic steps are suggested to initiate development of a strategy for KM. Once developed, the strategy will identify more specific, longer term actions. GRA recommends that RMP select some specific initiatives, such as "Organizational Yellow Pages" or "Best Practices Data Base," that can show near-term pay off for RMP.

5.4 Knowledge Management – Action Elements		Accountable	Time Line	Status
5.4.1	Develop (with contractor) a Knowledge Management Strategic Plan.	KM; PRO; SMD	8/99	Complete
5.4.2	Obtain training and technical assistance to identify alternative approaches to knowledge management.	KM; PRO; SMD	1/99-9/01	Ongoing
5.4.3	Examine knowledge management practices by benchmarking with other agencies and companies in similar business.	Ad Hoc Group; KM	9/99–5/00	
5.4.4	Identify useful knowledge management tools and practices and share with others in the organization.	KM; IT Vendor	10/00	

5.5 Career Development

Determine what career development needs exist in RMP. Develop and deliver a career development plan including training and education approach and "graduation" requirements as applicable. Development might be crucial as RMP transitions many employees from former stovepipe, narrow-scope jobs to broader jobs. Development might also be required to bridge employees into new work.

5.5 Career Development – Action Elements		Accountable	Time Line	Status
5.5.1	Research OPM and DOI planned regulations that provide for career development opportunities at all levels.	TPT Ad Hoc Group; EEO; WASC	9/99–5/00	
5.5.2	Determine need and utility for RMP to have career development programs not offered elsewhere in MMS or DOI.	QSC	9/99–12/00	
5.5.3	Develop an RMP career program—based on shortages in future knowledge and skills—to create bridge opportunities for employee growth.	TPT; Ad Hoc Group	12/00–9/01	

6. Facilities and Equipment

To develop a plan of transition for facilities and equipment, the present and future working environment of RMP, the amount of telecommuting, and the initial location of the various offices must all be defined in detail. Benchmarking will help us make educated decisions on the makeup and structure of the future RMP's facilities.

6.1 Technology Communications and Coordination

Ensure that RMP's employees have the tools to do their jobs. Coordinate and communicate technology changes and upgrades with the RMP user community and organizations affected by our technology requirements.

6.1 Technology Communications and Coordination - Action Elements		Accountable	Time Line	Status
6.1.1	Develop and disseminate hardware specifications and coordinate overall RMP inventory.	SMD; PRO; IT Project Manager; TPT	1/99-9/01	Ongoing
6.1.2	Coordinate and disseminate technology requirements with STRAC, DOI, other agencies, industry, and our RMP users.	SMD; PRO; IT Project Manager; TPT	9/99-9/01	
6.1.3	Assess the benefit of making collaborative software tools (teleconferencing, networking, etc.) available to RMP's workgroups in addition to the OM's.	SMD; PRO; TPT; IT Project Manager	10/98-9/01	Ongoing
6.1.4	Develop and implement equipment plan for operational models and future organization.	SMD; PRO; TPT; WASC; IT Project Manager	10/98-9/01	Ongoing

6.2 Coordinate Facilities Planning and Telecommuting Options

Coordinate facilities requirements to meet the needs of redesigned business processes. Incorporate telecommuting options where feasible for cost savings in configuring facilities design.

6.2 Coordinate Facilities Planning and Telecommuting Options - Action Elements		Accountable	Time Line	Status
6.2.1	Determine need to modify WAN support based on the geographic locations of RMP offices.	SMD; TPT; IT Vendor	7/00-9/01	
6.2.2	Benchmark and determine the optimum office layout for both team and non-team work environments in virtual office and collaborative work environments.	SMD; FRST; OM's; PSO; WASC; Ad Hoc Group	9/99-5/00	
6.2.3	Determine new wiring and related issues for installing new equipment in new space configurations decided in 6.2.2.	SMD; PSO; WASC	6/00-9/01	
6.2.4	Develop and implement a facilities plan for operational models and future organization.	SMD; PSO; PRO; WASC; TPT	10/98-9/01	Ongoing

7. Outreach and Communications

Open, two-way communications will certainly enhance the success of RMP's reengineering effort. If communications are closed or if employees are not able to have direct, face-to-face discussions about the changes with the change leaders, the reengineering effort will be much more likely to fail. RMP leaders have an opportunity to help all employees develop a realistic and hopeful view of the reengineering changes by developing open, two-way communications vehicles.

Maintaining external communications with those with a stake in RMP's business is also critical. RMP must keep all affected stakeholders informed of the proposed changes, the progress of the reengineering project, and the projected impacts on them. To learn more about change, transition, and communication, refer to Appendices D (5 by 5 Communication Model) and E (References and Resources).

7.1 Communicate Reengineering

Keep everyone in RMP informed about what is evolving. Have members of the reengineering teams hold two-way discussions with RMP employees explaining team status, what they are learning, how they are evolving, and how their actual work is being done differently. Communicate lessons learned, failures, and revised approaches. Provide a vision at the individual level of a person's future work.

7.1 Communicate Reengineering - Action Elements		Accountable	Time Line	Status
7.1.1	Conduct a needs assessment (change readiness assessment) and develop an outreach and communication strategy for transition and implementation (Transition Strategy Document)	PRO; TPT; QSC; AD	1/99-6/99	Complete
7.1.2	Have employees working on the OM's, FRST, PRO, and TPT attend Division/Branch meetings, or other small group sessions, to enable two-way detailed discussions about how their future jobs will look and how reengineering is progressing.	OM's; FRST; TPT; PRO	12/96- 9/01	Ongoing
7.1.3	Prepare inreach materials for the QSC based on concerns voiced by employees and encourage timely sharing of successes and failures of the processes.	TPT; PRO; AD; QSC	9/98-9/01	Ongoing
7.1.4	Implement inreach communication from outcomes in 7.1.2.	TPT; QSC; PRO; AD	9/98-9/01	Ongoing
7.1.5	Email short bullet items (updates) that have direct impact and/or significant change (daily business practices) to all of RMP and STRAC.	OM's; FRST; PRO; TPT; AD	9/98-9/01	Ongoing
7.1.6	Arrange for the Associate Director to visit work units, discuss employees' work with them, listen to the questions and ideas/concerns, and give them sincere appreciation for their efforts in both the reengineered and other work.	TPT; AD; PRO; QSC	5/99-9/01	Ongoing
7.1.7	Hold two-way communication sessions in which reengineering issues can be clarified.	TPT; PRO; QSC; AD	12/96- 9/03	Ongoing

7.2 Communicate Political and Business Reasons

Have RMP leaders (verbally) clearly and consistently express the political and business-related reasons for the major changes. Explain that RMP's senior leadership is explicitly directing and supporting the change. Also, use a variety of small and large group discussions where employees can ask questions and dialogue, for example, on the existence and nature of a backup plan for systems changes on the financial side, the existence and role of the project management contractor, and the ability to run parallel systems when the new financial management software is installed and starts running. These latter topics were mentioned often to GRA during its February 1999 sessions.

7.2 Communicate Political and Business Reasons - Action Elements		Accountable	Time Line	Status
7.2.1	Develop reengineering and transition messages. Review messages with managers.	QSC; AD; Managers; TPT; PRO	7/99-9/01	Ongoing
7.2.2	Communicate the reengineering and transition messages to all of RMP and to STRAC.	QSC; AD; Managers; TPT; PRO	8/99-9/01	Ongoing

7.3 Communication Outlets

Enhance the use of current communication outlets.

7.3 Communication Outlets - Action Elements		Accountable	Time Line	Status
7.3.1	Communicate where changes have been made based on feedback from employees.	OM's; FRST; QSC; PRO; TPT	12/96-9/01	Ongoing
7.3.2	Communicate early wins—report on programmatic accomplishments as they occur.	OM's; FRST; QSC; PRO; TPT	12/96-9/01	Ongoing
7.3.3	Use current publications to update employees and external constituents (People Lands and Water, Oil & Gas Journal, MMS Today, etc.)	PRO and AD; WRO; TPT	12/96-9/01	Ongoing
7.3.4	Maintain current communication outlets (Pipeline, FAQ, Royalty Reengineer and Transition Planning mailboxes, Weekly Activity Report). Communicate to employees, encouraging using the Royalty Reengineer as a "rumor control center," in addition to its current use as a reengineering question/comment center.	TPT; PRO	12/96-9/01	Ongoing
7.3.5	Develop post-implementation communication strategy.	TPT; QSC; AD; PRO	3/01-8/01	
7.3.6	Execute post implementation communication strategy.	TPT; QSC; AD; PRO	9/01-9/03	

7.4 New Communication Channels

Develop additional communication channels for employees to communicate issues, suggestions, and concerns and increase their knowledge about reengineering.

7.4 New Communication Channels - Action Elements		Accountable	Time Line	Status
7.4.1	Ensure that outreach processes include some two-way communication. Use the 5x5 communications approach when responding to some of the suggestions. (See Appendix D).	TPT; PRO; QSC; AD	12/96-9/03	Ongoing
7.4.2	Have PRO, TPT, FRST, and other reengineering group members attend Division and Branch meetings or other small group meetings, as appropriate.	TPT; AD; PRO; FRST; OM's; QSC	12/96-9/01	Ongoing

7.5 Inreach Sessions

Use a variety of informal and formal inreach sessions to meet information and communication needs of RMP. Strive to fully prepare verbal and written messages so that a clear and consistent message is provided and employees get specifics about their future work.

7.5 Inreach Sessions - Action Elements		Accountable	Time Line	Status
7.5.1	Determine frequency, schedule, and content of inreach sessions. Customize to audiences.	PRO; TPT; OM's; FRST; QSC; AD	12/96-9/03	Ongoing
7.5.2	Use innovative approaches to inreach sessions (for example, involve RMP's workforce as public speakers).	TPT; PRO; QSC; OM's; AD; FRST	12/96-9/03	Ongoing

7.6 Communications Outreach

Continue communications outreach with external stakeholders.

7.6 Communications Outreach - Action Elements		Accountable	Time Line	Status
7.6.1	Assess and modify structure of sessions, if needed.	PRO; TPT; OM's; FRST	12/96-9/03	Ongoing
7.6.2	Schedule outreach with other agencies and other MMS programs to involve them in our changes and to keep them informed.	PRO; TPT; OM's; FRST	12/96-9/03	Ongoing
7.6.3	Regularly update at STRAC, COPAS, and RPC meetings.	PRO; FRST; TPT; OM's	12/96-9/03	Ongoing
7.6.4	Conduct outreach with partner and non-partner States, Tribes, and Industry on reengineering issues.	OM's; FRST; PRO	1/99-9/01	Ongoing

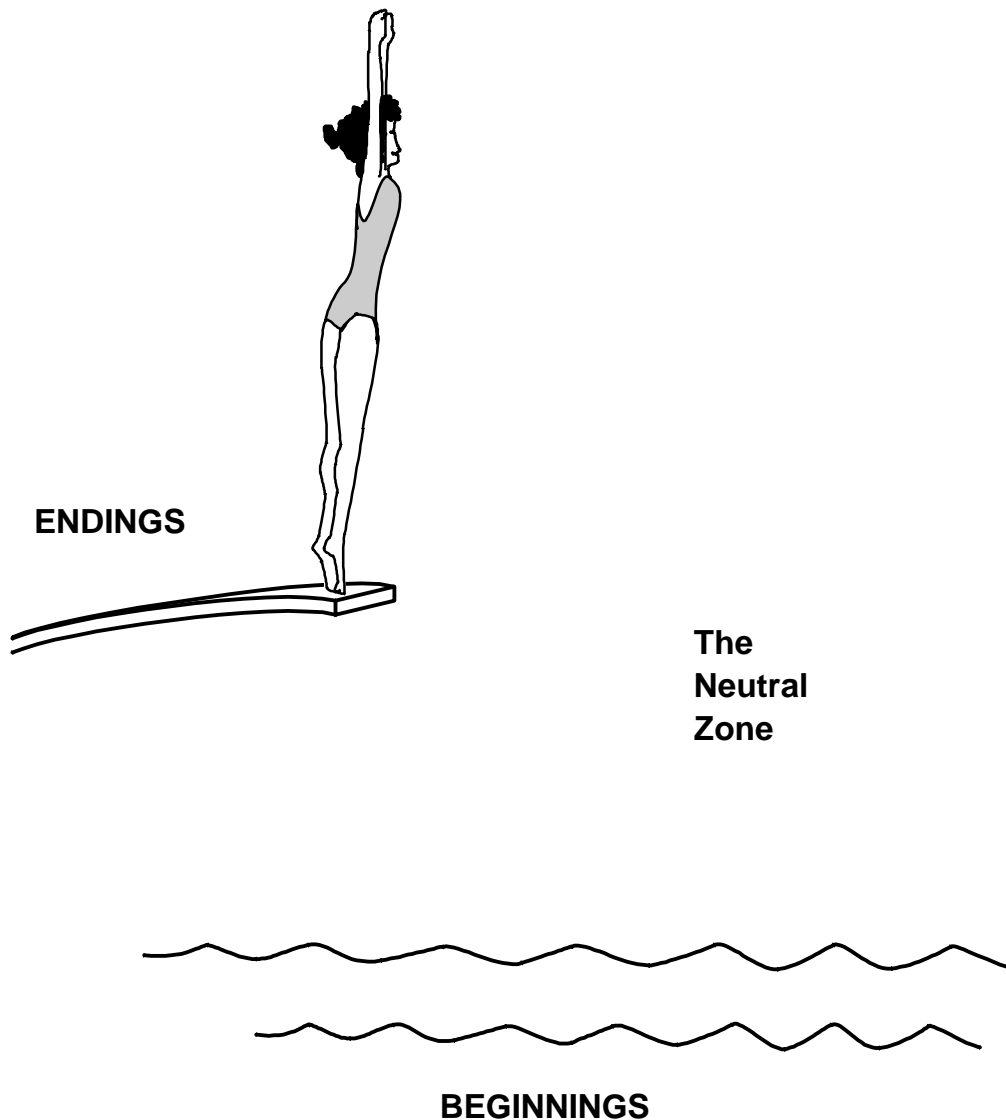
Appendix A – Acronyms Listing

A & B	Administration and Budget, MMS
AD	Associate Director
BIA	Bureau of Indian Affairs
BLM	Bureau of Land Management
CAMP	Compliance and Asset Management Process
CBT	Computer Based Training
CY	Calendar Year
COPAS	Council of Petroleum Accountants Society
COTS	Commercial Off The Shelf
DAD	Deputy Associate Director
DOI	Department of the Interior
EEO	Equal Employment Opportunity
FAQ	Frequently Asked Questions
FRST	Financial Reengineering Systems Team
GPRA	Government Performance and Results Act
GRA	Gene Rouleau and Associates, Inc.
HQ	Headquarters
IT	Information Technology
KM	Knowledge Management
MMS	Minerals Management Service
OM	Operational Model(s) (Compliance)
OMB	Office of Management and Budget
OMM	Offshore Minerals Management
OPM	Office of Personnel Management
PMT	Performance Measurement Team
PRO	Program Reengineering Office
PSO	Program Services Office
QSC	Quality Steering Committee
RIK	Royalty In Kind
RPC	Royalty Policy Committee

RMP	Royalty Management Program
SMD	Systems Management Division
STRAC	State and Tribal Royalty Audit Committee
TAC	Training Advisory Committee
TPT	Transition Planning Team (reengineering)
WAN	Wide Area Network
WASC	Western Administrative Service Center
WRO	Washington Royalty Office

Appendix B – Bridges Change Model

The Three Phases People Often Go Through During A Major Change:



PHASES OF TRANSITION

Endings:

- Letting go
- Getting closure
- Saying good-bye
- “Autumn”

Neutral Zone:

- In-between time
- Chaos
- The wilderness
- “Winter”

Beginnings:

- Being “with it”
- The new chapter
- Renewal
- “Spring”

I. Endings

The Phases People Experience During Major Change*

- We Have To Let Go Of The Old Before We Can Pick Up The New – *First We End, Then We Begin*
- Ending Requires *Unlearning* What Helped Us Get Where We Are
- Tribal Societies Place Great Emphasis On Transitions – They Mark The Endings – Modern Society Often Fails To Mark Endings
- Endings Begin When Something Goes Wrong; They Are Disorienting; They Aren't Fun
- Our Society Isn't Patient With The Ending Process – "Don't Cry Over Spilt Milk," "What's Done Is Done;" Nor Does It Acknowledge That Change Typically Involves *Loss*

Leadership Roles And Activities During The Endings Phase

- Mark the Endings – Acknowledge the Feelings Of Loss
- Allow A Period Of Grieving
- Respect the Past – It Made Its Contribution, Which Must Be Honored
- Give People Information – Why A Change Is Necessary
- Remember To “Sell The Problem,” Don’t Focus Yet On Solutions
- Make Clear What Is Over And What Is Not
- Discuss Your Own Mixed Feelings – Excitement/Hope For The Future, But Difficulty In Letting Some Of The Past Go

One Specific Thing I Can Do During The Endings Phase:

* Source: Transitions, By William Bridges. Addison-Wesley, 1980.

SIGNS OF WELL MANAGED ENDINGS

- People understand what is over and what isn't
- Symbolic boundary actions have been used
- Constant communication of information
- Losses have been acknowledged
- Grieving has been permitted and facilitated
- The problem has been sold

II. The Neutral Zone

What People Experience in the Neutral Zone

- This Is An Empty Place – The Old Is Gone, The New Not Yet Here, and “Nothing Feels Solid Any More”
- Most Of Us Are Impatient With This Phase – It Doesn’t Seem “Productive” – And We Try To Move On Quickly – Don’t Rush It
- We Need To Surrender, Give In To The Need For “Attentive Inactivity,” and For New Explorations
 - Keep A Log Of Thoughts And Feelings
 - Focus On What You Really Value In Life
 - Try Out Some New Approaches – Slowly, Quietly – Experiment

Leadership Roles And Activities In The Neutral Zone

- The Neutral Zone Is Like “Winter” -- Last Year Is Gone, Spring Not Yet Here; An Excellent Time To “Plant Seeds”
- **Remember The Four Ps**
 - Purpose** – People Need To Understand The Purpose Of The Change, And That Includes The Problem Leading To The Change
 - Picture** – People Need To See How The New Approach Will Work; Create A Metaphor, Show Them Visually What’s Coming
 - Plan** – People Respond Best When They See A Plan, A Roadmap To The Future; When Will The Change Affect Their Unit, How Will Different Phases Be Implemented, How Will We Know When We’re Succeeding?
 - Part** – It’s Critical To Offer People A Part, A Role To Play In The Change Effort, And Help Them Define Their Roles And Relationships After The Change Is Implemented
- Form Teams To Study Aspects Of The Organization That Impede Change: Policies, Practices, Assumptions
- Redefine This Time As One Not Of Loss, But Of “Getting Ready,” A Preparation Time That Is Unsettling But Valuable

One Specific Thing I Can Do During The Neutral Zone:

SIGNS OF WELL MANAGED NEUTRAL ZONES

- Whatever people think of the change, they understand its purpose and goals
- People have a general sense of the plan for achieving the stated goals of the change
- People have a sense of the part or role they can play in the change
- People feel the organization and its leaders are concerned about them
- No matter how disoriented people may seem, they feel connected to the organization
- There is an awareness that this is a time for challenging the status quo, for experimenting and looking for new approaches
- Many people are searching for, and offering ideas for change

III. Beginnings

What People Experience in the Beginnings Phase

- When The Neutral Zone Has Done Its Work, We're Ready For New Beginnings
- As The Neutral Zone Ends, We Feel Renewed Energy, Desire To Act
- The Beginnings Phase Involves Reintegration - Some Of the Old With The New
- This Phase Sometimes Starts With An Idea, Or An External Opportunity
- We Can Succeed In The Beginnings Phase By:
 - Being Ready To Act
 - Identifying Ourselves With The Final Result Of The Activity
 - Taking Things Step By Step

Leadership Roles And Activities During The Beginnings Phase

- Find A Few Energetic People Who Are Committed To The Change, And Give Them Important Roles In Implementing It
- Celebrate Small Steps In The Right Direction
- See That Your Behaviors Are Consistent With The Main Themes Of The Change Effort -- Without That, You're Fooling Yourself
- Continue Communicating What This Is About, The Problem Being Attacked, And The Outcomes Being Sought

One Specific Thing I Can Do During The Beginnings Phase:

SIGNS OF WELL MANAGED BEGINNINGS

- Work has begun on implementing the change
- The plan for change has been refined, using input from various employee teams
- Pilots have begun; people are experiencing what the new approach will be like and are giving input on their experiences
- Teams are working on ways to change the reward system and other internal systems, to get them aligned with the overall change
- Some early successes have happened, and their results are being communicated around the organization
- Some people are internalizing the attitudes and demonstrating the behaviors that will support the change
- Most important, people are experiencing more *energy*, are going about their work with a greater sense of *purpose* and *direction*

Appendix C – General Electric Work-Out Model

Work-Out is the name of a method pioneered by the General Electric Company beginning in the late 1980s. Its purpose is two-fold:

1. To get rid of bad, outmoded work practices, and
2. To get managers to listen to their employees on a regular, systematic basis, in order to learn what their employees thought about the company, about their leaders, about the work, in a way that produced honest conversations that lead to action.

As GE's CEO Jack Welch put it, "How would you like to move from a house after 112 years? Think of what would be in the closets and the attic ... We've got 112 years of closets and attics in this company. We want to flush them out, to start with a brand-new house with empty closets, to begin the whole game again" (quoted in *Managing on the Edge*, by Richard Tanner Pascale, Simon and Schuster, 1990).

How It Works

Work-Out is both a philosophy and a structured method. Here's how the method works:

Pre-session work:

Consultant meets with manager of a given unit, explains the Work-Out philosophy and method, determines if the manager is ready and willing to engage in the exercise. If so, consultant asks manager to explain to the staff the purpose of the Work-Out session, schedule the meeting, find appropriate space, identify someone to record notes of the session, etc. In addition, the manager identifies other key managers in the unit who should be involved in responding to the suggestions that emerge at the Work-Out session. Finally, the manager compiles data to present at the session (see Step 1).

At the Work-Out Session:

Step 1: Review Current Business Needs and Connect Those to Ineffective Work Practices

Begin by reminding participants of the Work-Out purpose, and show overview to the day. Then review the current organizational challenges, strengths, and needs (key goals and priorities, strategy, threats, achievements, gaps between current and desired performance). Have participants discuss the connection between those gaps, and ineffective/outmoded work practices.

Time: 60 minutes

Step 2: Gain Involvement in the Work-Out Process

Ask participants to discuss their general perceptions of the organization and their reactions to the information presented in the first step: What surprised them, struck them, seemed especially important, etc? Ask participants to think about some of the barriers to performance that they see in the work place each day (outmoded rules, policies, regulations, paper work, meetings, etc. Ask them “How much more effective would you be, and would your unit be, in achieving our goals if the major impediments to performance were eliminated?” Discuss the percentages they cite.

Time: 30 minutes

Step 3: Identify Wasteful Work Practices

Participants meet in groups of 5 to 7 to generate lists of wasteful, outmoded work practices. They write these on large flip chart sheets, listing them one at a time and adding information about any items that aren't obvious to the whole group. Each small group then notes the items on their list that they believe are most important to eliminate or change.

The entire group assembles and the items on each sheet are discussed. Like items from the various sheets are grouped together. The facilitator uses a structured method to get everyone's initial input on the items that are most important to change or eliminate.

Time: 60–90 minutes

Step 4: Identify Work Practices That Hinder Cross-Functional Work

Participants now change seats, such that every table has employees from all major organizational functions or units. Their task is to identify specific work processes, procedures, controls and habits that hinder teamwork or that favor one unit or function at the expense of another.

Participants gather together and discuss the items on all of the sheets. The facilitator again helps them determine the items that are most important to eliminate or change.

Time: 60 minutes

Step 5: Decisions, Contracting, Next Steps

A team of managers meets to discuss both sets of lists and determine the items that they are most interested in changing or eliminating. The rest of the participants do the same, at their current tables. The managers' team goes first, and identifies 5–10 items it will commit to change or eliminate in the next 1 to 3 months. Items that the team wants to deal with but that take more than 3 months are also listed.

Then the employee teams each share their lists of 5–10 items (and don't discuss items that have already been noted by a previous team). The managers respond to each item, as follows:

A. We agree (and set a target date)

B. We disagree, and here's why

C. We want time to study it (perhaps with the help of others), and will respond to the whole group by _____ (no more than 2 months).

Time: 60 minutes

The session ends with an agreement to meet again within 2 months, to review progress on the commitments that were made. In addition, participants are invited to sign up to study any of the items that need further consideration. Finally, the recorder indicates when and how the notes from the meeting will be distributed to those in attendance.

Appendix D – 5 by 5 Communications

The Boeing Company developed a creative way to maintain open and effective communications during major changes. They call it the 5 by 5 approach. It is based on two principles:

1. **Repetition**
2. **Variety**

The change message is communicated five times:

- **Using five different channels:** memo, e-mail, bulletin board, Web, newsletter, face-to-face meetings, video, etc.
- **From five different sources:** senior manager, immediate supervisor, colleague, customer, work team, front-line employee, etc.

Each time, the message should be stated from that person's or team's point of view. Thus, the words will be slightly different, but the message should be the same.

Boeing finds that this variety and repetition of the message gets through to everyone, and provides everyone with some vehicle for responding, giving feedback, and getting their questions answered.

Appendix E – References and Resources

Books and Articles

Beyond Reengineering, by Michael Hammer. The best book out on managing a process-centered organization.

Managing on the Edge, by Richard Pascale. Excellent book on the power of using differences to promote change.

Built to Last, by Collins and Porras. The best book on what really distinguishes excellent organizations from pretty good ones; also shows what it takes to sustain excellence over time.

Transitions, by William Bridges. Details a three-phase model of change that is very practical and useful for individuals.

Virtual Teams, by Lipnack and Stamps. Very good book on the needs of virtual teams, including uses of technology to support them.

Wisdom of Teams, by Smith and Katzenbach. A wonderful book showing what makes teams work and what keeps them from working, with excellent examples.

Seamless Government, by Russ Linden. The only book on reengineering in the public sector.

Intellectual Capital, by Thomas Stewart. A first-rate description of the emerging field of knowledge management.

“Reaching and Changing Frontline Employees,” by T.J. Larkin and Sandar Larkin. Harvard Business Review, May-June, 1996.

“Successful Change Programs Begin with Results,” by Robert Schaffer and Harvey Thomson. Harvard Business Review, Jan-Feb, 1992.

“Leading Change: Why Transformation Efforts Fail,” by Joyn Kotter. Harvard Business Review, March-April, 1995.

Videos

Managing Change and Transition, by Ben Bissel. Funny, on the mark, very practical guide to the human side of change. (804) 272-2979

Succeeding at Reengineering, by Michael Hammer. Shows what leaders must do to support reengineering, shows how to handle change during the process, shows the impact on the workforce, and shows how the culture must shift. With very good examples. (617) 354-5555

Internet/Web Sites

collaborate.com/hot_tip/tip.html – This site has a nice combination of specific tips on collaboration as well as interesting ideas for knowledge management.

Training and Development Programs

Western Management Development Center, in Denver. Courses on change, high performance organizations, teams, management and leadership development, customer-focused organizations, and many others. For grade 13's and above. (303) 671-1010

Federal Executive Institute. Courses in personal, management and leadership development, organization development and change, and policy areas. For grade 15's and above. (804) 980-6200

Michael Hammer workshops. Most attendees are from the private sector, some from government and non-profits. Workshops focus on process-centered organizations, change management, reengineering, performance measures and related topics. (617) 354-5555

Appendix F – RMP Transition Planning Team Members

Connie Bartram, TPT Management Sponsor, OIRA

Carlos Berrios, PRO, HCD

Stacey Browne, ARD

Tom Brozovich, ARD

Barbara Desiderio, AD Office

Tom Dodd, SICD/IAT

Rich Fantel, CVD/PAB

Carol Green, SICD

Ralph Johnson, PRO

Joan Killgore, WRO

Karen Krock, PRO, Texas

Karen Lee, OE

Susan Long, Onshore Model, CVD

Alene Markoff, SMD

Mary Ann Martinez, PRO

MaryLou Miller, DAD Office

Jim Morris, RVD

Bernie Muniz, PRO, ARD

Jim Richards, PRO, SICD

Jan Therkildsen, TPT Facilitator, DAD Office

Eileen Wineland, WASC Personnel Branch